

**ASSEMBLY BILL**

**No. 2174**

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**Introduced by Committee on Accountability and Administrative Review (Assembly Members Frazier (Chair), Achadjian (Vice Chair), Buchanan, Ian Calderon, Cooley, Medina, and Quirk-Silva)**

February 20, 2014

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An act relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

AB 2174, as introduced, Committee on Accountability and Administrative Review. State property: surplus.

Existing law authorizes the Director of General Services to dispose of state surplus property, subject to specified conditions, including authorization by the Legislature. The California Constitution provides that the proceeds from the sale of surplus state property be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act until the principal and interest on those bonds are fully paid, after which these proceeds are required to be deposited into the Special Fund for Economic Uncertainties. Existing statutory law similarly requires that the net proceeds received from any real property disposition be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, a continuously appropriated fund, until the bonds issued pursuant to the act are retired.

This bill would state the intent of the Legislature to enact legislation to authorize the director to dispose of parcels of surplus state property.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) It is the intent of the Legislature to enact  
2     legislation to authorize the Director of General Services to sell,  
3     exchange, sell combined with an exchange, or lease for fair market  
4     value, upon those terms and conditions as the Director of General  
5     Services determines are in the best interests of the state, all or any  
6     part of the following real property pursuant to Section 11011.1 of  
7     the Government Code.

8     (b) To the extent bonds issued by the State Public Works Board  
9     involve the property to be sold pursuant to this section, all issuer-  
10    and trustee-related costs associated with the review of any proposed  
11    sale, together with the costs related to the defeasance or retirement  
12    of any bonds, which may include the cost of nationally recognized  
13    bond counsel, shall be paid from the proceeds of any sale or lease  
14    authorized by this section.